



**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 525  
LOS ANGELES, CALIFORNIA 90012-3873  
PHONE: (213) 974-8301 FAX: (213) 626-5427

WENDY L. WATANABE  
AUDITOR-CONTROLLER

ASST. AUDITOR-CONTROLLERS

ROBERT A. DAVIS  
JOHN NAIMO  
JUDI E. THOMAS

April 4, 2011

TO: Supervisor Michael D. Antonovich, Mayor  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe

FROM: Wendy L. Watanabe  
Auditor-Controller

A handwritten signature in blue ink, reading "Wendy L. Watanabe", is written over the printed name and title.

SUBJECT: **CHILD AND FAMILY CENTER CONTRACT REVIEW – A  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES AND MENTAL  
HEALTH SERVICE PROVIDER**

We completed a contract compliance review of Child and Family Center (CFC or Agency), to determine the Agency's compliance with two separate County contracts. The Agency contracts with the Department of Children and Family Services (DCFS) to operate the Wraparound Approach Services (Wraparound) Program, which provides services to children and their families such as therapy, housing, education and social assistance.

CFC also contracts with the Department of Mental Health (DMH) to provide mental health services that includes interviewing program participants, assessing their mental health needs and implementing a treatment plan. The purpose of our review was to determine the appropriateness of the services provided based on available documentation. Our review also evaluated the adequacy of the Agency's accounting records, internal controls and compliance with federal, State and County guidelines.

DCFS paid CFC approximately \$968,000 on a fee-for-service basis for Fiscal Year (FY) 2009-10. DMH paid CFC approximately \$8 million on a cost-reimbursement basis for FY 2009-10. The Agency's office is located in the Fifth District.

## **Results of Review**

### **DMH Program Review**

CFC maintained documentation to support the service minutes reviewed and the staff assigned to the DMH Program possessed the required qualifications. However, for two (40%) of the five clients sampled the Agency did not complete some elements of the required case notes.

*CFC's attached response indicated that the Agency will ensure that their clinical staff comply with all aspects of the County contract through weekly Supervisor meetings and additional training.*

### **DMH and DCFS Wraparound Programs Fiscal Review**

CFC maintained sufficient internal controls over its business operations. The Agency appropriately allocated shared program expenditures and maintained sufficient documentation to support program expenditures charged to the DMH and Wraparound Programs.

The details of our reviews along with recommendations for corrective action are attached.

## **Review of Report**

We discussed the results of our review with CFC, DMH, and DCFS. In the attached response, the Agency agreed with our finding and recommendation. DMH will ensure that the recommendation is implemented.

We thank CFC management for their cooperation and assistance during our review. Please call me if you have any questions or your staff may contact Don Chadwick at (213) 253-0301.

WLW:MMO:JET:DC:EB

Attachment

c: William T Fujioka, Chief Executive Officer  
Antonia Jiménez, Acting Director, Department of Children and Family Services  
Dr. Marvin J. Southard, Director, Department of Mental Health  
John Hoskinson, Chair, Board of Directors, CFC  
Darrell Paulk, CEO, CFC  
Public Information Office  
Audit Committee

**DEPARTMENT OF MENTAL HEALTH AND WRAPAROUND PROGRAMS  
CHILD AND FAMILY CENTER  
FISCAL YEAR 2009-10**

**BACKGROUND**

Under the Department of Children and Family Services (DCFS) Wraparound Approach Services (Wraparound) Program, Child and Family Center (CFC or Agency) provides individualized services to children and their families such as therapy, housing, education and social assistance. Under the contract with the Department of Mental Health (DMH), CFC provides mental health services, which include interviewing program participants, assessing their mental health needs, and developing and implementing a treatment plan.

**BILLED SERVICES**

**Objective**

Determine whether CFC provided the services billed in accordance with their County contract with DMH.

**Verification**

We selected five billings totaling 992 minutes from 142,482 service minutes of approved Medi-Cal billings for February and March 2010. We reviewed the Assessments, Client Care Plans, and Progress Notes in the client's charts for the selected billing. The 992 minutes represent services provided to five program participants.

**Results**

CFC maintained documentation to support the service minutes sampled and completed the Progress Notes as required by the County contract. However, CFC did not complete some elements of the Assessments and Client Care Plans in accordance with the County contract requirements.

**Assessments**

CFC did not adequately describe the clients' symptoms and behaviors consistent with the Diagnostic and Statistical Manual of Mental Disorder (DSM) to support the given diagnosis for two (40%) of the five clients sampled. The County contract requires the Agency to follow DSM when diagnosing clients. DSM is a handbook published by the American Psychiatric Association for mental health professionals, which lists different categories of mental disorder and the criteria for diagnosing them.

**Client Care Plans**

The Agency did not complete some elements of the Client Care Plans for two (40%) of the five clients sampled in accordance with the County contract. Specifically, Client Care Plans contained goals that were not specific.

**Recommendation**

1. **CFC management ensure that Assessments and Client Care Plans are completed in accordance with the County contract.**

**STAFFING QUALIFICATIONS****Objective**

Determine whether CFC treatment staff possessed the required qualifications to provide the services.

**Verification**

We reviewed the California Board of Behavioral Sciences' website and/or the personnel files for seven treatment staff who provided services to DMH clients during February and March 2010.

**Results**

Each employee reviewed possessed the qualifications required to deliver the services billed.

**Recommendation**

**None.**

**CASH/REVENUE****Objective**

Determine whether cash receipts and revenue were properly recorded in the Agency's financial records and deposited timely in their bank account. In addition, determine whether there are adequate controls over cash and other liquid assets.

**Verification**

We interviewed CFC's management and reviewed the Agency's financial records. We also reviewed one bank reconciliation for September 2010.

**Results**

CFC maintained adequate controls to ensure that revenue, cash and liquid assets were properly recorded and deposited in a timely manner.

**Recommendation**

None.

**COST ALLOCATION PLAN****Objective**

Determine whether CFC's Cost Allocation Plan is prepared in compliance with the County contract and used to appropriately allocate shared program expenditures.

**Verification**

We reviewed the Agency's Cost Allocation Plan and selected two shared expenditures totaling \$24,475 incurred during September 2010 to ensure that the expenditures were appropriately allocated to the Agency's programs.

**Results**

CFC's Cost Allocation Plan was prepared in compliance with the County contract and appropriately allocated their shared expenditures.

**Recommendation**

None.

**EXPENDITURES****Objective**

Determine whether the DMH and Wraparound Program related expenditures are allowable under their County contracts, properly documented and accurately billed.

**Verification**

We interviewed Agency personnel and reviewed financial records and documentation to support two Wraparound expenditures totaling \$2,520 and five DMH expenditures totaling \$14,561 incurred between July and September 2010.

**Results**

CFC's expenditures were allowable, accurately billed and supported by documentation as required.

**Recommendation**

None.

**FIXED ASSETS****Objective**

Determine whether fixed asset depreciation costs charged to the DMH and Wraparound Programs were allowable under the County contract, properly documented and accurately billed.

**Verification**

We interviewed Agency personnel and reviewed the Agency's fixed assets and equipment inventory listing. In addition, we reviewed the depreciation costs charged to DMH and the Wraparound Program totaling \$44,989 during August and September 2010.

**Results**

The depreciation costs charged to DMH and the Wraparound Program were allowable, properly documented, and accurately billed.

**Recommendation**

None.

**PAYROLL AND PERSONNEL****Objective**

Determine whether payroll expenditures were appropriately charged to the DMH and Wraparound Programs. In addition, determine whether personnel files are maintained as required.

**Verification**

We traced the payroll expenditures totaling \$22,415 for ten employees to the payroll records for the pay period ending September 15, 2010 and reviewed personnel files for the ten employees.

**Results**

CFC's payroll expenditures were appropriately charged to the DMH program. In addition, the Agency maintained the personnel files as required.

**Recommendation**

None.

**COST REPORT****Objective**

Determine whether CFC's Fiscal Year (FY) 2009-10 DMH Cost Report reconciled to the Agency's accounting records.

**Verification**

We traced the Agency's FY 2009-10 DMH Cost Report to the Agency's accounting records.

**Results**

CFC's cost report reconciled to the Agency's accounting records.

**Recommendation**

None.



*Child & Family Center*  
"Strengthening Families Through Counseling, Education and Support"

January 20, 2011

Wendy Watanabe  
County of Los Angeles  
Department of Auditor-Controller  
Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 525  
Los Angeles, CA 90012-2766

RE: Child & Family Center Contract Review FY 10/11

Dear Ms. Watanabe,

The Child & Family Center has reviewed the findings of the above referenced audit and is in agreement with these findings. Attached you will find a corrective action plan addressing the two items found in your review.

We appreciate the professionalism of your audit team and the comprehensive review of our Wraparound program. If I can be of further assistance, please do not hesitate to contact me at the number listed below.

Sincerely,

Darrell Paulk  
CEO

MAIN SITE:

[121545 Centre Pointe Parkway Santa Clarita, CA 91350 (661) 259-9439 • Fax (661) 259-9658	[23504 Lyons Avenue, #204 Newhall, CA 91321 (661) 286-2550 • Fax (661) 286-2567	[23502 Lyons Avenue, #304 Newhall, CA 91321 (661) 286-2562 • Fax (661) 222-7709	[27223 Camp Plenty Road, Suite 1 Santa Clarita, CA 91351 (661) 250-8752 • Fax (661) 250-8755
---	---	---	--

Visit our website at : [www.childfamilycenter.org](http://www.childfamilycenter.org)



**Child & Family Center  
Auditor-Controller Audit  
FY 10-11**

**Corrective Action Plan**

**Recommendation 1.** *CFC management ensure that Assessment and Client Care Plans are completed in accordance with the County contract.*

The feedback and recommendations from the auditors was presented to all staff that bill to DMH in the general staff meeting on 1/5/11.

Supervisor's review and approve Assessment and Client Care Plans written by their supervisees. The auditor findings were presented in an 11/02/10 Supervisor Meeting. Supervisor meetings will increase from twice monthly to weekly to ensure that supervisors have the knowledge necessary to ensure their supervisees comply with all aspects of the County contract.

The audit findings were presented in the QA/QI staff meeting on 10/29/10 as the QA/QI team approves DMH documents after a supervisor has reviewed them. Additional training was provided and QA/QI staff was informed to request corrections on all Assessments that do not comprehensively describe the client's symptoms and behaviors consistent with the DSM as well as all Client Care Plan goals that are not measurable and/or quantifiable.